

Interim School Business Office, Inc. (ISBO)

Welcome to ISBO! You will be working with us as an independent CONTRACTOR. There are differences between being the **employee** you probably were in the past and a **contractor**. First, you will receive a 1099 from ISBO—not the district—and not a W-2. You can form an LLC or a corporation, but most contractors will file a Schedule C as a sole proprietorship. The profit or loss flows to your 1040.

- The major advantage of being an independent contractor is that you can write off expenses necessary to make the income, for example: mileage, stationery, cell phone, internet, computer-related expenses, etc. **A link to Schedule C Instructions are below**, and we encourage you to ask your tax preparer for money-saving suggestions such as the QBI, which is a 20% tax deduction on your net income.
- The disadvantage is that you will have to pay self-employment taxes and income taxes. **Taxes will not be withheld from your pay**, but we encourage you to make estimated tax payments. **A link to Estimated Tax Payment Instructions are below.**

We will be sending you a W-9. You can use your Social Security number on your W-9 or you can use an FEIN. It is very easy to get an FEIN. Just apply for it by filing an SS-4 with the IRS. **A link to the site for the FEIN (SS-4) Application is below. On the following page you will find some tips for filling out the SS-4, “Application for Employer Identification Number.”**

- SCHEDULE C INSTRUCTIONS
<https://www.irs.gov/pub/irs-pdf/i1040sc.pdf>
- ESTIMATED TAX PAYMENT INSTRUCTIONS
<https://www.irs.gov/pub/irs-pdf/f1040es.pdf>
- APPLICATION FOR AN FEIN (SS-4)
<https://www.irs.gov/pub/irs-pdf/fss4.pdf>

Some tips for filling out an SS-4, “Application for Employer Identification Number”

- Question #1, will be your legal name (First, Middle, Last), unless you have formed a company, then it will be the company’s name.
- Question #2, is applicable only if you have a “dba” (doing business as), and if so, you can enter that name on this line.
Note: most people will NOT have a dba.
- Skip Question #3, unless that applies to you. Most people will not have this.
- Questions #4a, #4b, and #6 will be your home address.
- Skip Questions #5a and #5b, unless you have a separate mailing address from your home address.
- Question #7a, will be your name, and #7b will be your SSN#.
- Skip Questions #8a, #8b, and #8c, unless you have formed an LLC.
- Question #9a, most of you will check the box “Sole Proprietorship.” Put your SSN# on the line next to it.
- Skip Question #9b, unless you have a company and you are from a foreign country. Most people will not have this.
- Question #10, Most of you will check the first box “Started New Business”. You can write something generic in the blank, for example, “Consulting Services”.
- Question #11, would be today’s date, unless you did form a company, then it would be the date of incorporation.
- Question #12, most of you will write “December” since that is the last month of most people’s fiscal year which is usually the calendar year. This might only be different if you have a company.
- Question #13, put “0” under each of the three boxes (agricultural, household, and other).
- Question #14, check the box. More than likely you do not have employees, unless you have a company.
- Skip Question #15.
- Question #16, check the “Other” box and write in “Education.”
- Question #17, enter something like “Consulting for School Business Offices.”
- Question #18, most of you, unless you had a business before, will probably check “no.”
- Skip the “Third Party Designee” area of the form (2 lines).
- Go to the next line where it says “Name and title (type or print clearly)” and print “your name” / “Sole Proprietor” or “Owner” as your title.
- Sign under signature, enter the date you signed, put your phone # and fax # (if you have one) under “Applicant’s telephone number” and “Applicant’s fax number.”

You can fax the completed form to 855-641-6935 or physically mail to:

Internal Revenue Service

Attn: EIN Operation

Cincinnati, OH 45999

The above is to assist you as we see you. Full instructions can be found at:

<https://www.irs.gov/pub/irs-pdf/iss4.pdf>